

The JCT and CBO estimates now appear to have dramatically underestimated the strength of the economy and the positive response to the tax rate cut.

The JCT forecast last July that capital gains revenue for 1998 would be \$57 billion after the rate cut.

Again, this is reflected here on the chart projecting a much lower impact, actually a loss that we will end up with. In the shaded area over here with the lines drawn we see a dramatic increase in revenue that happened to the Federal Government, just contrary to what our "budgeteers" were projecting when we initiated the capital gains reduction in rate.

Recently, I contacted the CBO and JCT to determine how the forecast was holding up.

The Congressional Budget Office is now anticipating that both the 1997 and 1998 capital gains realizations will be much higher than previously thought.

It is therefore reasonable to assume that even with a lower tax rate, capital gains tax revenues for 1997 and 1998 will be a good deal higher than previously forecast.

The irony here is that the entire 10 year revenue loss that was forecast may be made up for in the first several years of the rate cut.

Once again, we will have a situation where a tax rate cut leads to greater revenues.

Mr. President, what does all this tell us?

In my view, a review of the last twenty years of capital gains tax rates and the associated revenues suggests that the model used by JCT and CBO to estimate capital gains revenues is flawed.

At minimum, it would appear that when tax rates are lowered the model significantly exaggerates the revenues losses.

In fact, in no single year after a rate cut has there ever been a loss of revenue.

Conversely, when tax rates are increased, the model significantly exaggerates the level of revenue gains.

Not only do the Congressional models fail to accurately measure the response of taxpayers to changes in tax rates, they completely exclude any estimate of the impact of tax changes on economic performance.

Mr. President, up to this point we have only been discussing the short term behavioral changes that come from changes in the capital gains tax rate.

What about the longer term impact on economic growth? Congress is largely in the dark when it comes to any estimate of this benefit.

It is logical to assume that a lower tax rate on capital encourages capital formation. A higher rate of capital formation clearly benefits the economy. As a consequence the federal government will realize greater income, payroll, and excise taxes. In addition, state and local tax revenues will also rise.

Admittedly, all of this is difficult to measure. However, I would like to see some attempt made to include these factors in revenue models.

At a minimum they should be appended to the official revenue estimates. This would give Congress a more complete picture of the impact of tax changes on revenues.

As I review the issue of capital gains tax revenues I am struck by several things.

First, capital gains tax rate cuts do not appear to cost the government revenue, and may in fact increase revenue rather dramatically.

Second, the current revenue estimating model should be updated to reflect evidence that the model exaggerates losses from rate cuts, and also exaggerates the gains from tax rate hikes.

In addition, some attempt should be made to measure the impact of tax changes on the level of economic performance.

Third, less emphasis should be placed on the revenue models.

Instead, greater emphasis should be placed on the impact that changes in the tax treatment of capital gains will have on the private economy.

Economic growth, job creation, and international competitiveness should be our focus, not projections of government revenue.

This is particularly true when we know that the revenue projections are not likely to be terribly accurate.

This is not intended as a criticism of those whose job it is to make the estimates. This is difficult work. I certainly recognize this having served on the House Budget Committee for several years. And those who do the work are professionals who work hard at getting it right.

Unfortunately, this business is a bit like gazing into a crystal ball. There are just too many factors at work to think we can accurately project the revenue impact of changes in capital gains tax policy.

Mr. President, when it comes to capital gains taxes I suggest that Congress spend less time gazing into the crystal ball of revenue forecasting, and more time focusing on the real world impact of taxes on capital formation, job creation, and economic growth.

I think it will then be abundantly clear that we should continue to reduce the tax on capital to 14 percent. This will continue the good work that we began last year.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. SMITH of Oregon. I also ask unanimous consent that my assistant, Lourdes Agosto, be allowed floor privileges while I give this speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of Oregon. I thank the Chair.

(The remarks of Mr. SMITH of Oregon pertaining to the introduction of S. 2079 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SMITH of Oregon. Mr. President, I thank you for the time and yield back the floor.

I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Under the previous order, the Senator from Ohio is recognized to speak for up to 15 minutes.

10TH ANNIVERSARY OF DUI CRASH IN KENTUCKY

Mr. DEWINE. Mr. President, today marks the 10th anniversary of the most tragic drunk driving case in our Nation's history. Ten years ago today, on Saturday, May 14, 1988, a school bus filled with children heading home to Radcliff, KY, after having spent a day at King's Island Amusement Park in Ohio—that school bus was hit head-on by a drunk driver heading the wrong way on Interstate 71 near Carrollton, KY, 10 years ago today. The collision caused the front gas tank of the bus to explode in flames. The crash caused the death of 24 children and three adults, and left many of the 36 survivors burned and disfigured.

This crash did not just affect the 63 innocent victims who were on the bus that day. It had significant impact and changed forever many of the victims' families, friends and their community. This horrible tragedy helped fuel a nationwide movement which has helped to change our Nation's attitudes towards drinking and driving. This horrible tragedy helped spur State legislatures to enact more stronger drunk driving laws. It led to tougher enforcement and has caused people to think twice before drinking and driving. In short, it is no longer "cool" or "neat" in our society to drink and drive. And this horrible, horrible tragedy did impact people and has helped to galvanize public opinion in regard to drunken driving.

The effects of this attitude change are well documented. In 1986, 24,050 people lost their lives in alcohol-related traffic crashes. A decade later that number had dropped by 28 percent; 17,274 people lost their lives in 1995 in

alcohol-related accidents, a drop of 28 percent. This reduction is not attributable to one single event. It is not attributable just to this horrible accident, this horrible tragedy we are commemorating and thinking about today. It was a whole series of actions taken by people across this country—Mothers Against Drunk Driving, SADD chapters, grassroots efforts of survivors, grassroots efforts of victims and members of victims' families.

We have begun, over that decade, to significantly change public attitudes. Unfortunately, after 10 years of improvement, after 10 years of fewer people dying every year due to drunken driving, these trends have now been reversed. I think our Nation has lost its focus. We no longer focus on this as a national issue. From 1994 to 1995, fatalities in alcohol-related crashes rose—did not decline—rose, and they rose by 4 percent. That was the first increase in over a decade. In 1995, 41 percent of the 41,798 motor vehicle crash deaths were attributable to alcohol use. Alcohol involvement is the single greatest factor in traffic-related deaths and injuries. In short, the trend is now moving in the wrong direction. We have not done enough. We must move to reverse this trend.

I think what we have to do is to refocus and to put the emphasis back, again, and public debate, on this horrible, horrible problem. This year, Congress has the opportunity to help renew our Nation's focus on the evils of drinking and driving. During the Senate's consideration of ISTEIA, we took the lead in helping our Nation refocus on the consequences of drinking and driving.

Mr. President, there is no one single thing in the Senate's version of ISTEIA reauthorization which will change attitudes by itself. Rather, the Senate did a number of things which, when taken together, will help renew our Nation's focus on this effort.

First, the Senate voted to adopt an amendment which would encourage States to enact a statute that would make it illegal, in and of itself, to operate a motor vehicle with a blood alcohol concentration of .08 or higher. This amendment was adopted by a 2-to-1 margin in this Senate Chamber. This was one of the few times I stated on the floor that day that Members of the Senate could come to the Senate floor and cast their vote and know that a "yes" vote would, in fact, clearly save lives. The individuals we will never know, but it is clear this legislation, if enacted into law, will save hundreds and ultimately thousands of lives over the next few years. Sixty-one of our colleagues chose to take advantage of that opportunity.

Further, in the same bill, the Senate voted to adopt an amendment which would make it illegal to drive with one hand on the steering wheel and the other wrapped around a bottle of whiskey or beer. That is still legal in many places in this country. Under this legislation, it no longer would be tolerated.

Finally, we included a provision which would establish mandatory minimum penalties for repeat drunk drivers—the worst of the worst of the worst.

I can think of no better way to honor the memories of the victims of the deadliest alcohol-related traffic crash in our Nation's history, as well as the memories of all victims of drunk drivers, than to include these reasonable provisions aimed at renewing our Nation's focus on the tragedy resulting from drinking and driving in the final bill to reauthorize the Intermodal Surface Transportation Efficiency Act.

This matter is in conference committee right now. The conferees are dealing with a number of very contentious and very difficult funding issues. We all have our own opinions about those issues. They are very contentious. But there is one issue where the overwhelming majority of the American people have spoken in public opinion poll after public opinion poll, and that has to do with the .08. There is one issue where the members of the conference committee can know that their vote to include the .08 provision will, in fact, save lives.

Let me repeat, this Senate has spoken. Sixty-one of the Members of this Senate voted "yes" for a nationwide .08 standard. The House of Representatives did not have the opportunity to vote; they were blocked from voting on this measure. But I think anyone who has looked at this clearly understands that the House of Representatives also, if they had been permitted to vote on this, would have approved the .08.

What we are asking the conference committee to do is very simple: Include this provision, which passed so overwhelmingly in the U.S. Senate, in the final version of ISTEIA. If the members of the conference committee will do that, they will save lives. It has been estimated that between 500 to 1,000 lives in this country will be saved every year by going to a .08 standard.

Mr. President, the statistics and facts are clear. The evidence is overwhelming. No one who tests .08 has any business being behind the wheel of a car. Think about it. If you were at a party at a neighbor's house or your own house, and you saw someone, an adult male weighing 160 to 165 pounds, and you watched him drink over an hour period of time—you timed it—four beers or four shots of liquor or four big glasses of wine on an empty stomach, then that person looked at you and said, "I want to take your little girl Anna to get an ice cream cone," would you let your daughter get in the car with that person? We all know the answer. The answer is absolutely not—"Don't get near her; she can't go with you."

That is all we are saying. Mr. President, it takes that much alcohol consumption to reach .08. What we are saying is, we set a nationwide standard so that, no matter where we go in this country, we have some level of assur-

ance that the laws of whatever State we are in—in my case, whether I drive out of Ohio into Kentucky or Indiana or Michigan or West Virginia, wherever I go, when I put my family in a car, I will have an assurance there is a national .08 standard, a bare minimum standard to protect our families.

That is what we are asking for in the conference committee. I again urge the members of the conference committee to do what is right: Follow what the Senate has said, follow the vote in the Senate, and include this very reasonable measure.

For my friends, my conservative friends, such as myself—we consider ourselves conservatives—I simply point out, this is the same type legislation that Ronald Reagan approved and supported and pushed through the U.S. Congress, when he was President of the United States, to go to a nationwide standard of 21 as being the age for drinking. It is the same mechanism, the same procedure, and the same basic principle.

What Ronald Reagan said then, and I will paraphrase, is very simple: That in some areas of national importance, national concern, we can make small intrusions into States rights, small changes that will have monumental effects to save lives across the country, and in some areas we do need a national minimum standard. I urge the conferees to include this in the legislation.

I see my friend, Senator LAUTENBERG, who has been a tremendous advocate over the years for highway safety, who sponsored the bill I just referenced that Ronald Reagan pushed through and Senator LAUTENBERG pushed through. Senator LAUTENBERG was the author of that bill in the 1980s. He and I were at the White House yesterday with the Vice President. We have been there with the President to support this. This is a bipartisan effort to save lives in this country.

I yield to my colleague.

The PRESIDING OFFICER. Under the previous order, the Senator from New Jersey is recognized to speak for up to 15 minutes.

Mr. LAUTENBERG. I thank the Chair. I thank my colleague from Ohio, Senator DEWINE.

Senator DEWINE has experience as a prosecutor. He has seen what happens when alcohol and driving try to mix. The result is terrible tragedy so often. His work here, together with mine, has enabled us to assemble a bipartisan group to support our effort to reduce the blood alcohol content to .08 at which point someone can be declared driving while impaired.

Today marks the 10th anniversary of the Nation's most deadly drunk driving crash. On the night of May 14, 1988, a bus packed with sleeping children was driving south on Interstate 71 to the First Assembly of God Church in Radcliff, KY. Thirty-five girls, twenty-eight boys, and four adults were returning from a day at the King's Island amusement park near Cincinnati.

According to newspaper accounts, the group said a short prayer before they began their return trip. I quote him. He said, "Please grant us a safe trip. May God have his hand on this bus." That is what he prayed.

But prayers were not enough that day. At 10:55 p.m., as the bus neared the northern Kentucky town of Carrollton, the driver of the bus spotted a pickup truck barreling north in his southbound lane. Moments later a collision and the bus burst into flames.

Twenty-four children and 3 adults were killed in that devastating school-bus crash, and 30 more were injured. The lives of so many families and friends were destroyed.

The current president of Mothers Against Drunk Driving, Karolyn Nunnallee, lost her daughter Patty in that terrible crash. She was on television this morning trying to explain the impact of losing that child. This day across the Nation thousands of mothers, fathers, brothers, and sisters will join in a moment of silence to honor those thousands of victims who die on our highways each year at the hands of drunk drivers.

We will honor Patty and the others who died that night and those who were injured during this moment of silence.

Sadly, the death toll visited upon us by drunk driving mounts up each year with an appalling clock-like efficiency. Every 30 minutes a family loses a loved one to a drunk driver. That means in the decade since the Carrollton crash 175,000 people have died. That is almost twice the population of the capital of my home State of New Jersey, Trenton, NJ. These deaths need not have happened.

If we also take into consideration that each of these victims had family and friends, we are talking about more than—more than—a million people grief stricken, which is more people than who live in Washington, DC. And this grieving should never have occurred.

Drunk driving also takes an enormous economic toll, as well, on our Nation. Alcohol-related crashes cost society over \$45 billion each year. One alcohol-related fatality is estimated to cost society about \$950,000; and an injury averages about \$20,000 in emergency and acute health care costs, long-term care and rehabilitation, police and court services, insurance, lost productivity, and social services.

Just look at this toll of needless death, needless grief, and needless spending. These facts should move us to rage. And our rage should move us to action.

Mr. President, we can act. Right now, the House-Senate conference committee is meeting to resolve the competing ISTEA reauthorization bills. I sit on that conference committee. As part of this process, the Congress is going to make one decision—will we get tougher on drunk driving and enact laws that will save lives or will we fall prey to the liquor and restaurant lobbyists?

Mr. President, this body has spoken about this issue. Two months ago, the Senate passed an amendment to prohibit open containers of alcohol in motor vehicles. It adopted a tough program to combat repeat offenders of drinking and driving. And by a 2 to 1 margin, the Senate voted to set a strict national drunk driving standard at .08 blood alcohol content. The Senate voted 62 to 32 for this life-saving measure. The House was not even able to vote on this issue. They were prevented from it.

We can ask the question, Why? But we must carry the will of the Senate—of the people—through to completion. We want ".08 in '98." We are now at the crossroads, and it is time to decide. The question comes up, Why? Why aren't the House Members permitted to vote on this issue? Well, it stops at a committee over there. The process is different than it is over here, and they do not even have to let a piece of legislation come up on the floor.

And why? Why would they say no to a vote on this issue when parents lose children and children lose parents across this country in numbers that compare to our worst year in Vietnam? In full combat we lost about 17,000 of our soldiers. In our country every year we lose more than 17,000 people to drunk driving, and it does not have the same impact on our society. So we have to say, Why is it that it does not?

If after coming so close we fail to enact .08 this year, the American people should charge this Congress with something I will call "VUI," voting under the influence of the liquor lobby. That is where it stops. They say, "You're going to kill our business," that "You're going to arrest social drinkers." No, no, no. We are not saying anybody can't drink. They can drink as much as they want. They can fall off the bar stools, as long as they don't fall on me or my kids.

The issue is whether, after having had a blood alcohol content level of .08, they ought to get behind a wheel. And we say no. I think the Senator from Ohio made it very clear. He said if he watched someone at a party or someone at a dinner, or something like that, have four drinks in an hour—a man my size would have five—on an empty stomach, to have your child get in the back seat of a car with that driver, I would say never, never. That is what we want to say across this country. Because every family is entitled to that kind of safety and security.

In 1984, President Reagan signed a bill that I wrote over here to make the national drinking age 21 and eliminate blood borders. Those are the borders between States with different drinking ages. Since then, more than 10,000 lives have been saved, enough to fill a small town. That is 10,000 families that did not have to mourn or grieve the loss of a child or a parent or a brother or a sister—10,000 people. That is a lot of people.

Now we have a different kind of blood border—the blood alcohol border. Right

now a driver legally drunk in one of 16 .08 States merely has to drive over the border and—poof—he is legally sober again. We know that is wrong. And we know once you are over .08 you are too drunk to drive in any State.

Consider this: Someone, again, of my height having had four glasses of wine in an hour—five glasses of wine; again, I am a little heavier than the average; five glasses of wine in an hour—on an empty stomach. That is too much. We are not saying, again, that people cannot drink. We are saying they cannot drink and drive.

Think about the 6,000 families who will be spared the devastating loss of a loved one to a drunk driver over the course of a decade if we pass .08. Think of what it means. Thousands of parents now destined to lose a child will be able to read their little ones to sleep instead of looking at an empty bed; children now destined to lose a parent will wake up in a full and loving home.

One year ago, Randy Frazier called the Congress to action. Randy's daughter, Ashley—people from Maryland—was killed by a .08 drunk driver. Randy said, "It is time for the leadership and action here in Congress to draw a safer, saner, and more sensible line against impaired driving at .08. If we truly believe in family values, then .08 ought to become the law of the land. Four beers in an hour"—four glasses of wine in an hour, on an empty stomach—"and getting behind the wheel of a car, in our estimation, is one definition of family violence."

Mr. President, it is decision time. The question is whether we are going to vote with our conscience. Are we going to vote under "VUI," voting under the influence of the alcohol lobby? They poured people into this town. The Restaurant Association had 130 as reported by a newspaper, 130 lobbyists come in. They swarmed all over the House, and they got people to change their minds. Then they got people, as I said earlier, to be able to hold that bill from getting consideration. That is not the way law ought to be decided when it comes to American families. And we hope we are going to stand up to our responsibility as we pause to honor the victims of drunk driving.

Let us be moved to action. We must enact tough drunk driving laws this year. It has to be ".08 in '98."

I yield the floor.

Mr. TORRICELLI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

EXTENSION OF MORNING BUSINESS

Mr. TORRICELLI. Mr. President, I ask unanimous consent to extend morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TORRICELLI. Mr. President, let me first thank Senator THURMOND and Senator LEVIN for their consideration.